

of general revenues that will be committed to Social Security each year in the 2030s, 2040s, and 2050s. If you look at it in terms of a percentage of GDP, the Clinton plan will divert general revenues worth 1.5 percent of GDP to Social Security for each year from 2032 through 2055. That is a general revenue transfer each year nearly as large as the entire defense budget.

Now it may come as a surprise to my constituents watching this at home to hear that the President is committing massive amounts of future general revenues to Social Security. And the reason they aren't aware of this fact is because he has made no effort to inform them. He has cleverly hidden his proposal behind the rhetoric of "saving the surplus for Social Security." If the President wants to openly make the case for funding more Social Security benefits through income tax dollars, let me be the first to encourage an open and honest debate on that very subject. In fact, it is a very Democratic argument to fund Social Security through the more progressive income tax rather than the regressive payroll tax. But I encourage him to enter this debate candidly and to explain to the American public the tradeoffs of infusing general revenues into the Social Security program.

I have heard the group of us who are working on substantive Social Security reforms—Senators MOYNIHAN, BREAUX, GREGG, and SANTORUM—referred to as the "Pain Caucus" because we advocate structural reforms to the system through benefit changes or future payroll tax adjustments. Well, we believe less in pain than in truth in advertising. The President also has a great deal of pain in his plan—a hidden pain in the form of income tax increases that will be borne by future generations of Americans. I strongly disapprove of a plan that provides a false sense of complacency that Social Security has been saved by this nebulous and vague idea of "saving the surplus"—while failing to disclose the real pain that will be imposed on future generations.

Let me talk for a moment about the history of the Social Security program and its financing. The idea of a Social Security program was first discussed by Frances Perkins as a means for providing the widows of coal miners a financial safety net. Today, the Social Security program provides an intergenerational financial safety net to retirees and the disabled, and their spouses, survivors, and dependents. Social Security has always been financed by a tax on payroll. When the program began, the total payroll tax was 1 percent of the first \$3,000 of earnings—paid for by both the employer and employee. Today, all covered employees pay a Social Security payroll tax that is equal to 6.2 percent of the first \$72,600 of their annual wages. In addition, the employer must pay an additional 6.2 percent payroll tax on the first \$72,600 of each employee's wages.

The excess Social Security payroll tax income has always resided in a trust fund. Through the 1970s, this trust fund generally had only enough assets to pay for about one year's worth of benefits. The 1977 Social Security amendments marked the first time that the trust funds were allowed to accrue substantial assets—though this accrual was not necessarily deliberate.

During the 1983 reforms, Congress made this implicit accrual of assets explicit—and declared its goal to be the prefunding of the baby boom generation's Social Security benefits. Congress tried to pre-fund the baby boom generation by accelerating the payroll tax rate schedule increases that were agreed to in the 1977 amendments, by covering all federal government and non-profit employees, and by raising the payroll tax rate on the self-employed.

Not surprisingly, several Presidential administrations took advantage of the overflowing Social Security coffers—and used an overlevy of the payroll tax to fund both the general operations of government and expensive income tax cuts. Many of the payroll tax dollars that flowed into the trust funds were immediately borrowed to pay for tanks, roads, and schools. Many of these payroll tax dollars were also used to offset major income tax breaks. Is it any surprise that Reagan was able to afford a reduction in the top marginal tax rate from 70 to 50 percent in 1981 and from 50 to 28 percent in 1986 in the wake of the payroll tax hikes of 1977 and 1983?

The irony is that the story has now come full circle. While former Presidents financed income tax cuts with payroll tax hikes, Mr. Clinton now wants to maintain a lower-than-necessary payroll tax rate by increasing future income tax revenues.

Mr. President, one of my goals today is to make clear my desire that this Congress and this President have an honest debate about how to finance Social Security. But one of my other goals today is to talk about the need to reform the program to improve the lives of our Nation's minimum wage workers. As many of my 206,278 Nebraska constituents collecting old-age Social Security benefits can attest—Social Security is not a generous program. In fact, the average old-age benefit in Nebraska is under \$750 a month. When you factor in rent, food, prescription drug benefits, and part B premiums, \$750 is not a generous benefit.

As many of my colleagues may know, the size of a retiree's Social Security check depends on a number of important factors—how much you worked, how much you earned, and at what age you retire. In order to determine your monthly benefit, the Social Security Administration takes all of this information and applies a complicated benefit formula designed to replace a portion of the monthly income to which you have become accustomed over the course of your life. This replacement

formula is not very generous for low-wage, low-skill workers or for workers who have been in and out of the workforce sporadically. The way it works is that Social Security will replace 90 percent of the first \$505 of average indexed monthly earnings (AIME) over your lifetime; plus 32 percent of the next \$2,538 of earnings; and 15 percent of any earnings over \$3,043 per month.

Complicated? Yes. But what this means is that a worker who has been consistently in the workforce and has had lifetime annual earnings of \$10,000 per year will receive a Social Security benefit check of about \$564. This is not substantial—and barely livable. What I propose to do is change the benefit formula to replace a larger portion of the income of these low-income, low-skilled workers who play a very important role in our service economy. And I propose doing this in a cost neutral way. By simply changing the replacement formula, we can boost that workers' monthly income by 22 percent.

What I have tried to show this morning is that we need to have an honest and open debate about the way we want to finance the Social Security program. We also need to have a candid and constructive discussion about Social Security reforms that will improve the retirement security of all working Americans—including those working Americans who are toiling away at low-paying service sector jobs. I believe that Congress and the President can and should work together to achieve real structural reforms in the program—and do so in a way that helps low-income Americans and that shares costs across all generations.

Mr. President, Harry Truman had a sign on his desk which read: "The buck stops here." Unfortunately, what this President's plan is saying is that the buck stops there—in 2055.

Our generation has a historic opportunity to make some sacrifices now, so that our children and grandchildren may benefit from our having served this nation. The sacrifices we make may not be as dramatic as those of the generation that lived during Harry Truman's Presidency, but they will have a significant impact on the future of our Nation.

I thank the Chair and yield the floor.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, March 16, 1999, the federal debt stood at \$5,639,342,063,058.30 (Five trillion, six hundred thirty-nine billion, three hundred forty-two million, sixty-three thousand, fifty-eight dollars and thirty cents).

One year ago, March 16, 1998, the federal debt stood at \$5,530,456,000,000 (Five trillion, five hundred thirty billion, four hundred fifty-six million).

Five years ago, March 16, 1994, the federal debt stood at \$4,550,473,000,000 (Four trillion, five hundred fifty billion, four hundred seventy-three million).

Ten years ago, March 16, 1989, the federal debt stood at \$2,737,640,000,000 (Two trillion, seven hundred thirty-seven billion, six hundred forty million).

Fifteen years ago, March 16, 1984, the federal debt stood at \$1,465,672,000,000 (One trillion, four hundred sixty-five billion, six hundred seventy-two million) which reflects a debt increase of more than \$4 trillion—\$4,173,670,063,058.30 (Four trillion, one hundred seventy-three billion, six hundred seventy million, sixty-three thousand, fifty-eight dollars and thirty cents) during the past 15 years.

FLATHEAD IRRIGATION ACT OF 1999

Mr. BURNS. Mr. President, yesterday I introduced a bill to transfer the operation of an irrigation project in Montana from the Bureau of Indian Affairs to the local irrigators. This is a bill, which has been before Congress before, but has been changed to address the concerns expressed by the BIA and groups which have opposed this legislation in the past.

Years of management by the Bureau of Indian Affairs has led to a project in poor physical condition. Rather than being an asset for the government and the users, the Flathead Irrigation is rapidly becoming a liability. Using current estimates, the project is in need of \$15 to \$20 million worth of repair and conditioning. Government managers admit that costs associated with rehabilitation of this project could be as much as 40 percent higher than if the project were under local control.

The irony of this project however, is the fact that studies on locally owned irrigation projects in Montana and Wyoming show that the costs of operation and maintenance of the Flathead project are some of the highest in the Rocky Mountain Region the condition of the project may be worst in that same region. What do these people, and for that matter the taxpayer, get for the higher costs associated with the current management? Not much if anything at all.

Let's take a moment here to see what local control of this irrigation project would mean to the irrigators and to the taxpayer. First of all, local control will mean increased accountability of the monies collected by and used in the operation of the Flathead Irrigation Project. At the current time the BIA is unable, or unwilling, to provide basic financial information to the local irrigation districts. This despite the fact that the local farmers and ranchers pay 100% of the costs to operate and maintain the project. At the same time, the current management cannot even deliver a year-end balance of funds paid by the local irrigation users.

Local control will also create savings over the current operation management. By using these savings the local management could be used to restore

the Flathead Irrigation Project to a fully functioning, efficiently operating unit.

Without the transfer to local control, the residents of the Flathead face an uncertain future. This irrigation project is located in one of the most beautiful valleys in western Montana. Current trends in agriculture have put farmers and ranchers in a difficult position. Montana farmers and ranchers have always been land rich and cash poor. In the case of this valley in Montana, this is the rule and not the exception. They live in an area that is being changed daily due to the number of summer home construction, because of the beauty and a temperate climate for Montana.

The family farmers and ranchers in this area continue to face economic pressures from outside. Which has led to a number of folks packing up and subdividing their land for residential home sites. Those who have packed up and left the area, have taken their land and subdivided it for the residential development, removing the land from agricultural production.

The subdivision of the land has a number of negative impacts on this valley and Montana and the Nation. The landscape is dotted with magnificent homes which impacts on the landscape and open spaces, and of course wildlife. Another of the major impacts is on the local and state economies and governments. Agriculture land in Montana pays approximately \$1.29 in property taxes for every dollar invested by the local government for services. Residential subdivisions only pay approximately \$0.89 for every dollar they receive in local government services.

Preservation of the small family farm and ranch in the Mission, Jocko and Camas valleys in Montana is dependent upon local control. As local control of the Flathead Irrigation Project will provide these hard working Americans an opportunity to control and have input on the costs associated with the operation of this vital water source.

ST. PATRICK'S DAY STATEMENT BY THE FRIENDS OF IRELAND

Mr. KENNEDY. Mr. President, the past year has seen far-reaching developments which bring the dream of peace in Northern Ireland closer than at any time in our lifetimes.

Today, the Friends of Ireland in Congress is releasing its annual St. Patrick's Day Statement. The Friends of Ireland is a bipartisan group of Senators and Representatives opposed to violence and terrorism in Northern Ireland and dedicated to a United States policy that promotes a just, lasting and peaceful settlement of the conflict, which has taken more than 3,100 lives over the past 30 years.

I believe the Friends of Ireland statement will be of interest to all of our colleagues who are concerned about this issue, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE FRIENDS OF ST. PATRICK'S DAY 1999

On this St. Patrick's Day 1999, the friends of Ireland in the United States Congress join with the 44 million Americans of Irish ancestry in commemorating an extraordinary year for the people of the island of Ireland. We are proud of the dramatic progress achieved in last year's Good Friday Agreement. We commend those who contributed to this historic agreement.

The Agreement is a unique opportunity to end a tragic conflict which has caused needless tragedy and destruction. It holds out the promise of a new beginning, honorable and realistic, for all involved. The Agreement was endorsed decisively by the people in both parts of the island of Ireland as a clear democratic mandate to their political leaders. We call on all those leaders to implement that mandate fully and fairly, and to embrace the opportunity for peace offered by the Agreement with courage, imagination and empathy. History will not deal kindly with those who fail to do so.

We are pleased to welcome to Washington over the St. Patrick's Day period many of those who were central to the success of the negotiations leading to the Good Friday Agreement. We particularly welcome the Taoiseach, Bertie Ahern, whose outstanding commitment and leadership, both during the negotiations, and in the succeeding months, have been deservedly recognized. We also pay tribute to Prime Minister Tony Blair, Secretary of State for Northern Ireland Marjorie Mowlam, Minister for Foreign Affairs David Andrews, the leaders of the Northern Ireland political parties, and many other Irish and British Government officials for their courage and determination to reach agreement despite the opposition they faced.

We congratulate John Hume and David Trimble on the award of the Nobel Peace Prize in recognition of their efforts for peace. We take pride in the contribution made to the peace process by President Clinton and many other leaders in the United States. We especially salute our former colleague, Senator George Mitchell, for his indispensable leadership, and welcome the recent establishment by the U.S.-Ireland Alliance of the Mitchell Scholarships in his honor. We welcome the generous \$3 million contribution of the Irish Government to this scholarship fund, announced by the Taoiseach last September during our President's visit to Ireland. We also welcome the Irish Government's support of the John F. Kennedy Center for the Performing Arts, through a grant to promote the Festival of Irish Arts, in May 2000.

Ireland has given to America in many ways, including men to fight our battles from the Revolutionary War to Desert Storm. In appreciation for these services, and as a special tribute to 12 Irish citizens who gave their lives as members of the U.S. Armed Forces in the Vietnam War, we are pleased to note that the Vietnam Veterans Memorial Fund's travelling wall, called the Wall that Heals, will be making a tour of Ireland from April 16 to May 3 this year.

This July, we look forward to welcoming the first 4,000 young men and women who will enter the United States under special visas provided by the Irish Peace Process and Cultural Training Program Act of 1998. The visa will allow these young adults from both communities an opportunity to experience America's unique blend of cultural diversity and economic prosperity. After their visit, they will return home providing the crucial skill base needed to attract private investment in their local economies. That Congress initiated and passed this visa with